Manitoba
Gaming Control
Commission

ANNUAL REPORT

09/10

a strengthened framework

September 30, 2010

Honourable David Chomiak
Minister charged with the administration of The Gaming Control Act
104 Legislative Building
450 Broadway
Winnipeg, MB
R3C 0V8

Dear Minister Chomiak:

I am honoured to present you with the annual report of the Manitoba Gaming Control Commission for the fiscal year ended March 31, 2010.

Respectfully,

Darlene Dziewit
CHAIRPERSON

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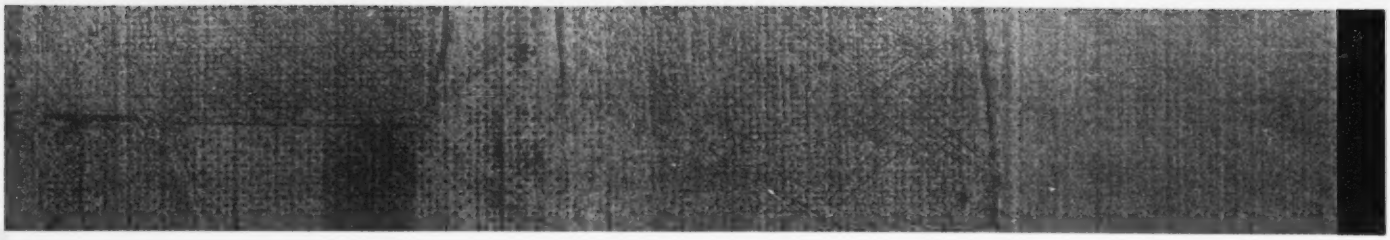
Message from the Chairperson

Perhaps one of the most satisfying duties of a public board is providing a government with advice that leads to legislative amendments; the opportunity to inform and influence public policy is a gratifying responsibility. As such, my colleagues and I were pleased to close the 2009/10 year anticipating the April 1, 2010 proclamation of The Gaming Control Amendment Act. The legislative amendments, which were proposed by the government during the spring 2009 legislative session and which received Royal Assent on June 11, 2009, broaden the Manitoba Gaming Control Commission's (MGCC) regulatory framework for gambling activities to include lottery ticket retail businesses.



Reports of fraudulent prize redemptions by lottery ticket retailers in other jurisdictions led the MGCC to review regulatory control over lottery products in 2008, with an eye to advising the Minister charged with the administration of The Gaming Control Act to create an independent avenue for lottery ticket consumer complaints and investigation. Our legislative review work, including consideration of stakeholder interests, balanced research and identification of best practices, resulted in the preparation of detailed legislative proposals for the government's consideration. Looking forward, the effects of the new legislation will likely go unnoticed by most lottery ticket consumers, but the legislation will extend the expectations for honesty and integrity that have long applied to other gaming industry employees, equipment, suppliers and games to Manitoba's lottery ticket retailers; a satisfying result of the work by our staff and selves.

While legislative amendments are a public and visible result of our efforts, it is governance and corporate oversight responsibilities that characterize our fundamental role as stewards of the province's regulatory body for gambling activities. It is within this context, as identified in our current strategic plan and spurred by two new board member appointments, that we undertook a comprehensive governance examination that was completed in early 2010. Beginning with an examination of board practices and processes, we sought to enhance and refine our capacity to set strategic direction and monitor results, to manage operational and financial risk, and to assure financial accountability through strengthened oversight and disclosure. New measures and practices, including the appointment of an independent board audit advisor, the establishment of a prescribed board calendar and the introduction of direct monthly operational reporting, have refined and refocused our work on behalf of Manitobans.

Foreseeing the challenge of preparing for the retirement of many long-serving MGCC staff and managers during the next several years, my colleagues and I will apply risk management practices to oversee strategic initiatives to sustain and stabilize long-term operations. While the traditional concept of private sector succession planning cannot be applied appropriately to a public sector organization like the MGCC, we will focus human resources efforts on transfering institutional, historical and specialized knowledge, management expertise and leadership skills to the next generation. The development and implementation of a workforce transition plan will prepare and guide the MGCC through a period of significant change.

As with everything accomplished by our board, our efforts are enabled and informed by the excellent advice, guidance and expertise of the MGCC's management and staff – thank you. Looking to the future, our strong collaborative working relationship will continue to ensure the honesty and integrity of gaming activities on behalf of all Manitobans.

Darlene Dziewit
CHAIRPERSON

Remarks from the Executive Director

As the Manitoba Gaming Control Commission's (MGCC) key annual accountability document, this report details our strategic, operational and financial results. The Corporate Performance Results (page 10) measure and report on our strategic accomplishments as compared to the year's corporate goals and priorities; the Operational Overview (page 14) describes key operational accomplishments pertaining to gaming integrity and compliance and to corporate obligations; and the Financial Statements (page 28) summarize the year's revenues and expenditures to present the MGCC's fiscal position at March 31, 2010.

Further to this, and in acknowledgment of the public's expectation of openness and accountability, I am pleased note that, as in previous years, the Office of the Auditor General of Manitoba (OAG) issued clear opinions based on their audits of the MGCC's financial records and our compliance with legislative and related authorities. The OAG's review and confirmation of our financial practices and public mandate is important for the provincial organization responsible for ensuring the honesty and integrity of nearly 1,400 charitable gaming events, approximately 2,700 people employed in Manitoba's gaming industry and close to 600 VLT siteholders and gaming suppliers.

During the coming year, these numbers will grow to include over 800 lottery ticket retailers as a result of the amendments to The Gaming Control Act described in Ms. Dziewit's message on page 2 and in a feature section on page 7. With the extension of regulatory oversight to include lottery ticket gaming, players in Manitoba will have an independent avenue for complaints, investigation and dispute resolution. As such, significant attention and expertise was devoted throughout the year to laying the groundwork for a comprehensive game integrity and compliance regime, in anticipation of legislative proclamation on April 1, 2010.

Looking to the future, it appears that the new and emerging technologies that have driven developments in the commercial and casino gaming sectors are evolving to bring 21st century innovation to charitable fundraising. It is anticipated that Manitoba charities will be able to enhance their revenues and event accountability through a new technology that combines real-time sales tracking with the popular 50/50 fundraising raffle format – a new twist on an old game. In the expectation of interest in this new technology, the MGCC applied its due diligence practices to confirm the technical integrity of the equipment and to develop regulation and terms and conditions to authorize and regulate a new gaming supply category. While 2009/10 did not see any of the new style of 50/50 events, the MGCC expects that Manitoba charities will begin holding such events early in the new fiscal year.

The MGCC's capacity to foresee and respond to developments and stakeholder interests, as demonstrated by the foregoing example, is based in great part on our strong, flexible legislative framework. The structure of The Gaming Control Act and Regulation permits the critical, independent assessment of applications and opportunities that is necessary for practical regulation. This environment allows the MGCC to identify and implement appropriate measures to adapt to changing conditions while remaining focused on our key tasks of ensuring honesty and integrity via our broad technical integrity approval, registration, licensing, inspection and investigation processes. Above all, the MGCC's authority and operations combine to provide a high-calibre regulatory regime in service to all Manitobans.

F.J.O. (Rick) Josephson
EXECUTIVE DIRECTOR

About the Manitoba Gaming Control Commission

The Manitoba Gaming Control Commission (MGCC) derives its authority and responsibilities from The Gaming Control Act and Regulation, as permitted by the Criminal Code (Canada). Under this federal legislation, each province establishes its own regulatory and operating regimes within the prohibitions and permissions defined by Sections 206 and 207 of the Criminal Code (Canada) and within the context and scope of the gaming environment. In Manitoba, the MGCC is the primary gambling regulatory body responsible for a range of traditional oversight responsibilities for charitable, VLT and casino gaming, and for less traditional responsibilities including social policy research and consumer education.

With the aims of ensuring that gaming activities are conducted honestly, with integrity and in the public interest, the MGCC:

- licenses charitable gaming activities, including bingo, breakopen tickets, raffles, sports draft lotteries and Texas Hold'em poker tournaments
- registers First Nations casino operators, Manitoba Lotteries Corporation (MLC) and First Nations casino employees, gaming suppliers, gaming equipment and VLT siteholders
- investigates and makes orders related to gaming patron disputes
- inspects and audits gaming activities
- ensures all gaming has technical integrity
- monitors and enforces compliance with gaming-related legislation
- conducts independent and joint research projects
- performs responsible gaming education and policy oversight functions
- provides policy advice to the Minister charged with the administration of The Gaming Control Act (the Minister)

Corporate performance results related to these accountabilities are detailed beginning on page 10, in accordance with the strategic themes of legislative mandate, service excellence, human resources advancement and financial accountability.

The MGCC is guided by a Board of Commissioners that reports to the Minister. Operational activities are carried out by 50 full-time and three part-time employees, led by the Executive Director.

Finances and Resources

The MGCC is self-funding from service-based licence and registration fees, as authorized by The Gaming Control Act and established via regulation. The MGCC does not receive any revenue from the Provincial Consolidated Revenue Fund. The Gaming Control Act permits the MGCC to establish its own bank account and operating line of credit. The annual business plan, which details operational objectives and budget estimates, is approved by the Board of Commissioners, reviewed by the Minister and approved by the Minister of Finance. The complete financial statements for the year ended March 31, 2010, are presented in this report beginning on page 28.

Appeals and Disputes

The Gaming Control Act directs the Board of Commissioners to conduct hearings and make rulings on appeals of the Executive Director's decisions and orders. In this quasi-judicial role, a quorum of commissioners considers all evidence presented by both parties before making a ruling. The MGCC's hearings are open to the public, although a hearing, or portions of a hearing, may be closed in instances where financial, private or proprietary information is being presented. Decisions are publicly available. Appeals of the Board of Commissioners' decisions may be made to the Court of Queen's Bench under Section 45(2) of The Gaming Control Act. No hearings were conducted in 2009/10.

MGCC's Regulatory Mandate Broadened to Include Lottery Ticket Retailers

The finite nature of the business reporting cycle – beginning on April 1st and ending on March 31st – is one of the challenges faced in preparing an annual report. While the anticipated April 1, 2010 proclamation of amendments to The Gaming Control Act technically will fall into the 2010/11 fiscal year, the work to prepare for the coming into force of the new legislation began in earnest in 2009/10.

Amendments to add oversight for lottery ticket retailers to The Gaming Control Act were proposed, debated and received Royal Assent in spring 2009. The new legislation extends to lottery retail operations the same expectations for honesty and integrity that apply to other sectors of gaming in Manitoba, including casinos, VLT sites and charitable gaming. The new powers have been crafted to put the responsibility for the integrity of lottery ticket validation and prize redemption in the hands of retailers as a core function of their business.

To integrate lottery ticket retailers into Manitoba's current regulatory regime, the MGCC will conduct background checks, set terms and conditions for registration, monitor compliance, conduct investigations in response to complaints and alleged breaches, mediate disputes, order remedies, and lay charges with respect to suspected criminal activity. Overall, these measures will bring independent third-party oversight to lottery ticket retailers. The measures will also further fortify public confidence in lottery ticket sales and prize redemptions, which were already strengthened by the Western Canada Lottery Corporation and Manitoba Lotteries Corporation through player-focused initiatives, including public education messaging and enhanced ticket checking.

...of amendments to The Gaming Control Act, the MGCC expects to register over 800 lottery ticket retailers in 2010/11. The registration process will be similar to the process introduced in 2005, when regulatory oversight was extended to include VLT siteholders.

Our Core Values

We are committed to delivering our services and programs based on the following core values and standards of conduct:

INTEGRITY and RESPECT are the fundamental cornerstones of our vision and mission, and will form the basis for all our actions and decisions.

By seeking a BALANCED PERSPECTIVE, we reflect the complexity of Manitoba's gaming environment.

By ensuring ACCOUNTABILITY, we protect the public interest.

We are ADAPTIVE by anticipating and responding to the current and emerging issues in the gaming environment that impact the honesty and integrity of gaming activity in Manitoba.

We are INDEPENDENT of gaming operations and work to ensure PUBLIC CONFIDENCE in the integrity of all gaming activities within the Province of Manitoba.

Our clients and stakeholders include:

- charitable licence holders
- gaming industry employees
- gaming suppliers
- VLT siteholders
- First Nations gaming commissions
- municipal licensing authorities
- Minister charged with the administration of The Gaming Control Act
- the provincial government
- Manitoba Lotteries Corporation
- Aseneskak Casino
- South Beach Casino
- Manitoba Hotel Association
- Manitoba Restaurant and Foodservice Association
- gaming patrons
- the general public

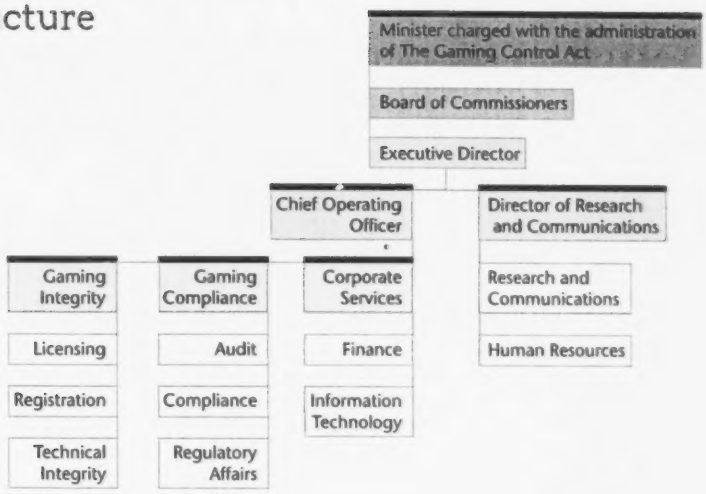
Research shows...

...that a gaming commission must meet five criteria to fulfill an independent regulatory role. These criteria, all of which are met by the MGCC, are that the commission must:

- be comprised of commissioners, management and staff that are arms-length from government
- have its own budget
- report directly to government
- have access to independent administrative and legal support
- be able to commission independent research

Law, M. (2003). The Emperor's New Clothes: The Tasmanian Gaming Commission. Social Action & Research Centre, Anglicare Tasmania.

Organizational Structure



Interagency Cooperation

Liaising with external organizations permits the MGCC to benefit from others' experience and to share its own expertise. The MGCC cooperates frequently with numerous agencies worldwide to share information and undertake initiatives related to gaming regulation. These organizations include:

- Aboriginal Finance Officers Association
- Addictions Foundation of Manitoba
- Alberta Gambling Research Institute
- Assembly of Manitoba Chiefs
- Association of Certified Forensic Investigators
- Association of Certified Fraud Examiners
- ASIS International
- Brandon Police Service
- Canada Revenue Agency
- Canadian Centre on Substance Abuse
- Canadian Gaming Regulators Association and member jurisdictions/agencies
- Canadian Partnership for Responsible Gambling
- Council on Licensure, Enforcement and Regulation
- City of Winnipeg Licensing Department
- Criminal Intelligence Service (Canada and Manitoba)
- Gaming Laboratories International
- Greater Winnipeg Community Centres Council
- International Association of Gaming Regulators
- International Law Enforcement Intelligence Association
- International Masters of Gaming Law
- Internet Gambling Taskforce
- Manitoba Association of Chiefs of Police
- Manitoba Association of Municipalities
- Manitoba Council of Administrative Tribunals
- Manitoba Department of Justice
- Manitoba Liquor Control Commission
- Manitoba Lotteries Corporation
- Manitoba Protective Officers Association
- Midwest Gaming Investigators and Regulators
- North American Gaming Regulators Association and member jurisdictions/agencies
- Nova Scotia Gaming Foundation
- Ontario Problem Gambling Research Centre
- Responsible Gambling Council (Ontario)
- Royal Canadian Mounted Police
- Technical Systems Testing
- Western Canada Lottery Corporation
- Winnipeg Police Service

Corporate Performance Results: 2009/10

Each year, the Manitoba Gaming Control Commission (MGCC) establishes corporate priorities and assesses strategic accomplishments based on four sectoral goals: meeting our legislative mandate, achieving service excellence, advancing human resources and financial accountability. The following describes key corporate and aggregate operational results for 2009/10.

GOAL #1

Legislative Mandate

Regulate and control gaming activity in the province with the aims of ensuring that gaming activity is conducted honestly, with integrity and in the public interest.

Priorities

- Develop and deliver programs and initiatives to ensure gaming providers meet our compliance and enforcement mandate.
- Develop and deliver innovative and proactive gaming integrity and compliance initiatives to effectively regulate and control gaming activities.
- Advance our public interest mandate, beyond our traditional regulatory activities of licensing, registration and enforcement, with a focus on social policy implications, research and responsible gaming initiatives.
- Develop and implement a governance model that supports the MGCC's mandate and provides clarity in our roles and accountability.

Strategic Accomplishments

- The Office of the Auditor General of Manitoba issued a clear audit opinion of MGCC's compliance with legislative provisions and related authorities.
- Legislative amendments pending proclamation April 1, 2010. Proposed in spring 2009, amendments will bring third-party, independent oversight to lottery retail operations. Public confidence in lottery ticket sales and redemptions will be strengthened via new registration regime, independent avenue for investigation of complaints and dispute resolution.
- Assessed, confirmed, monitored and enforced the honesty and integrity of gaming events, employees, suppliers and equipment in accordance with legislative and regulatory mandates, licensing and registration terms and conditions and operational and unit standards.
- Advanced gambling regulation and control through a range of initiatives in conjunction with the Royal Canadian Mounted Police, the Winnipeg Police Service and other policing agencies. Highlights of this work included: an updated Memorandum of Understanding to continue access to criminal records through the Canadian Police Information Centre; collaborative training on illegal gambling and crisis communications; and Internet gambling investigative techniques training.
- Evaluation results of 2009 public education campaign messaging to encourage limit-setting revealed 81% of Manitobans set at least one kind of limit, up from 64% of Manitobans in 2007.
- Governance practices and capacity were strengthened via:
  - > the appointment of two new Commissioners
  - > establishment of a governance calendar to guide annual planning, oversight and accountability functions
  - > independent audit advice
  - > formal governance training

GOAL #2

Service Excellence

Provide excellent service to our clients by championing fair, balanced and responsible gaming policy and inspiring public confidence in the integrity of gaming.

Priorities

- Develop and deliver innovative, streamlined and consistent gaming integrity and compliance programs and products to assure the integrity, fairness and accountability of gaming activity in the province.
- Develop and implement strategies to build strong relations with internal and external clients and stakeholders through clear and consistent communication.
- Document and formalize unit and department policies and procedures to ensure consistency, fairness and accountability and to support knowledge transfer within the context of succession planning.
- Develop and deliver corporate and administrative services, including finance, information technology, communications, research and planning services

Strategic Accomplishments

- Client focused, regulatory measures including formal application, assessment and approval processes, comprehensive audit and inspection programs, proactive and responsive investigations, client training and support and interagency collaboration. This resulted in the following:
  - > 440 game integrity approvals
  - > 1,499 active charitable licence holders
  - > 3,350 registrations in several registrant classes, including individuals and organizations
  - > 2,581 audit reviews of charitable gaming records
  - > 100% compliance with gaming commission and licensing authority annual reporting requirements
  - > 24% decrease in complaints and a 35% decrease in investigations over the previous year.
- Strengthened relationships with partners and stakeholders and increased awareness and understanding of the benefits of a strong regulatory environment via:
  - > the delivery of 703 formal client training programs, a 38% increase over the previous year
  - > increased on-site compliance inspections, to 1,749, up 15% over the previous year
  - > continued enhancements to MGCC's client focused website including improvements to on-line application, reporting and fee payment services and corporate and operational content
  - > collaborative research with provincial, national and international partners
  - > integration of stakeholder input into policy deliberations on proposed legislative amendments, as well as matters pertaining to research and public education initiatives, stakeholder training and information, First Nations gaming and charitable licensed events
- Completed a comprehensive assessment, refinement and development of corporate and unit policies, procedures and standards to improve and guide client service, knowledge transfer and consistency.
- Supported and enabled the delivery of services and programs to clients and stakeholders through a range of corporate services in the areas of information technology, finance and administration, research, communications and human resources.

GOAL #3

Human Resources Advancement

Maximize performance and productivity by encouraging and supporting a positive and professional work environment.

Priorities

- Create and manage a comprehensive human resource service to support MGCC's strategic and operational goals.
- Establish processes and initiatives that support and encourage staff innovation, accountability and empowerment.
- Develop and implement a formal succession plan that identifies and develops talent through professional development and knowledge transfer initiatives.

Strategic Accomplishments

- Provided a full suite of on-site services to meet corporate and operational human resources needs including guidance and support for recruitment and retention, performance assessment, employee-management relations and collective agreement and labour legislation commitments.
- Strengthened succession planning efforts via refinement of MGCC's performance review structure, the development of a workforce transition plan, policy development and career development opportunities including four acting status appointments and three reassignments/ transfers.
- Facilitated professional and skills development through over 2,057 hours of formal training including: financial accounting, supervision and leadership, casino inspections, legislative compliance, Gaming Management System (GMS) training and emerging technologies. Employees also participated in a variety of programs to maintain and achieve professional and academic designations.

GOAL #4

Financial Accountability

Confirm and demonstrate fiscal responsibility, financial accountability and operational sustainability through the appropriate management and stewardship of financial and capital assets and resources.

Priorities

- Ensure financial accountability and transparency though corporate and operational planning, monitoring and reporting activities.
- Maintain internal control standards in keeping with established financial policies and procedures.
- Oversee financial, corporate and human resources to maximize operations and enhance client service.
- Develop a new financial model to address corporate financial sustainability including reallocation of current resources in accordance with environmental trends and identification of options for new financial resources.

Strategic Accomplishments

- The Office of the Auditor General of Manitoba issued a clear audit opinion for the MGCC's 2009/10 financial audit.
- Financial management and reporting practices are based on Generally Accepted Accounting Principles and Canadian Institute of Chartered Accountants (CICA) Standards. Preparations underway to transition to new accounting standards effective April 1, 2011.
- Quarterly financial statements were reviewed and analyzed by the Audit Committee and approved by the Board of Commissioners.
- 2008/09 annual report, including audited financial statements, was published in fall 2009.
- 2010/11 business plan was presented to the Board of Commissioners and Treasury Board for approval. Board approval granted February 2010; Treasury Board approval pending at March 31, 2010.
- Enhanced general accountability and budget management skills by providing monthly annotated financial statements to senior managers.
- Maximized revenue and financial sustainability via daily review and management of investment funds.

Operational Overview

Gaming Integrity Unit

Licensing • Registration • Technical Integrity

Comprised of three departments – Licensing, Registration and Technical Integrity – the Gaming Integrity Unit is responsible for laying the foundation of honesty and integrity by establishing the standards by which charitable organizations, VLT siteholders, potential employees, equipment and service suppliers, and gaming devices are licensed, registered and approved. Within this context, these departments set terms and conditions for the foregoing that serve as the basis for compliance and audit monitoring by the Gaming Compliance Unit. Although the units operate independently, their common goal is to assure that gaming activities are conducted honestly, with integrity and in the public interest.

LICENSING

Each year, the members of the Licensing Department work with over 1,100 eligible groups and organizations to authorize the conduct and management of fundraising events for charitable and religious purposes. The honesty and integrity of these events, which include bingo, Texas Hold'em poker and raffles, is established via a comprehensive application and approval process. Guided by formal review procedures, the members of the department scrutinize eligibility, planned operations, prizes and intended use of proceeds to ensure proposed events meet legislative and regulatory imperatives. Once issued, each licence is governed by terms and conditions that guide the event's preparation, conduct and accountability reporting.

During 2009/10, licensing staff responded to over 3,100 public inquiries, with 65% of these inquiries focused on raffle events. Therefore, it is not surprising that the department experienced a 139% increase in raffle applications over the previous year and posted a long-term increase of almost 400% over five years earlier. Efforts at continuous improvement have refined licensing review procedures and policies to streamline workflow and speed turnaround time, leading to improved client service. For example, almost 70% of all raffle licence holders fell within the relatively new and simpler community raffle category for events with anticipated revenues of under $5,000. In the coming year, the Manitoba Gaming Control Commission (MGCC) expects demands for community raffle licences to continue to grow as a result of the City of Winnipeg's decision to rescind its raffle licensing bylaw effective January 1, 2010. Notwithstanding the resulting increased workflow, the Licensing Department continued to provide strong client service as demonstrated by the 20% drop in the average processing time for community raffle applications to just under 12 days.

Charitable Gaming Overview

AS OF MARCH 31, 2010

- 1,499 active charitable gaming licence holders
- 1,117 licence applications were reviewed and approved for:
  - > 881 different charitable organizations
  - > 195 first-time applicants
  - > 248 ongoing events: 121 bingo, 76 breakopen, 7 media bingo, 10 raffle and 34 Texas Hold'em poker tournaments
  - > 869 limited series or single events: 49 bingo, 23 breakopen, 741 raffle, 38 Texas Hold'em poker tournaments and 18 other, including Monte Carlo and sports draft events
- 892 licence amendments were processed
- 382 active licence holders are scheduled to renew their three-year licences between April 1, 2010 to March 31, 2012: 208 bingo, 142 breakopen, 17 media bingo and 15 raffle

Licensing: 40 Years of Charitable Fundraising in Manitoba

Criminal Code (Canada) amendments in the late 1960s gave provincial governments the authority to operate lottery schemes and casinos, as well as to license charitable and religious organizations to conduct specified lottery schemes. In 1970, the first charitable gaming event was licensed in Manitoba to support the province's centennial celebrations. The face and nature of gaming has changed dramatically across the country and the world in the intervening 40 years – casinos, VLTs and lotteries are now popular forms of entertainment and new technologies are continually emerging. In Manitoba, approximately 85% of adults reported gambling at least once during the past year. Still, throughout the evolution that has brought us to today's environment, the operation of raffles, bingos and breakopen events to fund charitable and religious purposes has remained largely unchanged.

Highlights of Licensing History

- Early 1970s - The Manitoba Lotteries Licensing Board is formed to license religious and charitable organizations to operate specified lottery activities offering prizes in excess of $3,000, including raffles, casinos and bingo events.
- Mid 1970s - The Red River Exhibition and Festival du Voyageur receive approval to operate casinos during their annual events and gaming activities become very popular fundraising vehicles for charitable and religious organizations.
- Late 1970s - The Manitoba Lotteries Review Committee is established to investigate provincial gaming policy. The committee's report recommends strict limits on the number of gaming events, that activities be closely monitored and charitable casinos be restricted to 90 events per year.
- Early 1980s - The Private Operators in Lotteries Inquiry examines private sector involvement in charitable fundraising lottery schemes. The inquiry report makes a number of recommendations involving the sale of lottery and breakopen tickets, and the operation of casinos and bingo events.
- Mid 1980s - The Manitoba Lotteries Foundation becomes responsible for the regulation and operation of gaming activities, including the management of casinos, the operation of three volunteer-driven bingo facilities and sole distributor of authorized breakopen tickets and bingo paper to licensed charities.
- Late 1980s - The first First Nations Gaming Commission Agreement is signed with the Opaskwayak Cree Nation, giving the band exclusive authority to license charitable and religious gaming events on reserve.
- Mid 1990s - The Lottery Policy Review Working Group recommends that operational and regulatory roles be independent of each other to alleviate a perceived conflict of interest. Legislation is proposed and proclaimed to establish the MGCC as Manitoba's primary regulator of gaming activities.
- Early to mid 2000s - The MGCC undertakes a comprehensive review of the terms and conditions governing charitable gaming events licensed in Manitoba, which results in the refinement of the regulatory rules for events like bingo and raffles.
- Late 2000s - As a result of public interest, the MGCC becomes the first Canadian regulatory agency to test Texas Hold'em poker tournaments as an option for charitable fundraising. Following the successful pilot test, the MGCC begins licensing these tournaments across the province.
- 2010 - Twenty-first century innovation begins to influence charitable gaming in Manitoba by combining real-time sales tracking technology with the 50/50 raffle format. With the introduction of this new technology, it is hoped that charities will be able to maximize revenues and enhance record-keeping and accountability.

REGISTRATION

During 2009/10, the members of this department assessed and monitored the honesty and integrity of approximately 2,800 gaming employees, completed 11 full gaming supplier due-diligence investigations, issued 87 full and conditional VLT siteholder registrations and prepared for the addition of over 800 lottery retailer registrants, all while maintaining regulatory oversight of longstanding registrants, including gaming operators, VLT siteholders and suppliers of gaming products and services.

Comprehensive standards and procedures for each registrant class guide the registration process, beginning with the application, through to background investigation checks and to the establishment of terms and conditions as the requirements to maintain good standing. Department investigators are authorized to conduct criminal record, credit history and financial history checks on individuals and business applicants seeking registration. For example, background checks are conducted on all prospective and current employees of Manitoba Lotteries Corporation (MLC), Aseneskak Casino and South Beach Casino to ensure that all employees in the gaming industry meet the legislated criteria of honesty and integrity. Ongoing employee registrant monitoring, which includes Canadian Police Information Centre checks, are conducted routinely and upon the provision of information that may call into question the employee's suitability as a gaming employee.

Due-diligence investigations also are carried out on all suppliers of gaming services and products and on gaming management service providers that assist gaming operators or licence holders in carrying out obligations in the operation of regulated gaming in Manitoba. The department also registers siteholders, including commercial businesses, veterans' clubs such as legions, and First Nations operating VLTs under agreement with MLC. Finally, registered gaming operators form a unique, albeit small, category, as businesses that offer provincial gaming such as slot machine operations and table games. At present, there are two such registrants, Aseneskak Casino and South Beach Casino, both of which are operated by First Nations partnerships under agreements with the Province and MLC. The department monitors compliance with the terms and conditions attached to each registration to ensure that the standards required of registrants are met and maintained. With the addition of lottery ticket retailers to Manitoba's regulatory system anticipated for the next fiscal year, new terms and conditions, application forms, internal policies and procedures, new Gaming Management System (GMS) services and new registrant and stakeholder communications were prepared for implementation in 2010/11.

Given the breadth of the registrant classes, communication with internal and external stakeholders is vital to the strength of the registration regime. As such, the Registration Department focused significant efforts this year on developing and refining web-based services, including fillable forms; improvements to internal GMS-based work processes; and analysis and drafting a formal manual to guide registration investigations.

Registration Overview

AS OF MARCH 31, 2010

MLC new applicant employee registrations	385
MLC employee renewals	1,820
Aseneskak Casino new applicant employee registrations	70
Aseneskak Casino employee renewals	100
South Beach Casino new applicant employee registrations	191
South Beach Casino employee renewals	199
Gaming suppliers	50
VLT siteholder registrations	535

TECHNICAL INTEGRITY

While it may be an unfamiliar term to the layperson, technical integrity is an important regulatory concept used to confirm that a gaming event or equipment performs in a manner such that the scheme is fair, honest, safe, secure and capable of being audited. Members of this department work closely with MLC, First Nations casino operators, equipment suppliers, independent testing laboratories and other MGCC departments to ensure that technical integrity standards are met and compliance standards are maintained.

Within the scope of Manitoba's gaming environment, technical integrity must be confirmed for diverse activities, such as bingo at casinos; slot machines; VLTs; table games; and, at the request of Licensing Department, charitable bingo and raffle events; before being offered to the public for play. Formal terms and conditions established as part of the approval process permit the MGCC to monitor the status of gaming equipment, maintain approval and historical records of integrity concerns and assist in the conduct of any investigations resulting from public complaints or operational concerns.

In 2009/10, in keeping with continuous improvement efforts, the department developed and revised terms and conditions, standards and quality assurance tests associated with different gaming schemes and developed protocols to expand internal access to technical integrity approval information. As well, substantial additions were made to the MGCC's website to improve public access to information about technical integrity for gaming activities in Manitoba, including the MGCC's regime.

Members of the Technical Integrity Department were involved this year in reviewing and approving several large-scale equipment replacements and introductions as all Manitoba casinos made upgrades to their slot machines and central operating systems. As well, MLC introduced a server-supported network gaming system as a trial, which required a full review of this new technology and its operation. Technical integrity terms and conditions and operating standards were drafted and implemented to authorize this trial server-supported system. Department members regularly inspect Manitoba casinos to confirm compliance with technical integrity approvals and terms and conditions; ten such inspections were conducted in 2009/10.

Technical Integrity Overview

AS OF MARCH 31, 2010

Technical Integrity Approvals and Amendments	
New slot machine models	5
Software and hardware associated with gaming devices and VLTs	313
Table games and associated equipment	39
Table game rules of play and tournament rules and regulations	40
Bingo paper and products	13
Interim Technical Integrity Approvals	
Electronic equipment	24
Table games	1
Bingo and breakopen products	5

Gaming Compliance Unit

Audit • Compliance • Regulatory Affairs

During the past several years, the departments that comprise the Gaming Compliance Unit have focused on a triad of practical measures – education, inspection and enforcement – to build and support strong regulatory compliance within all sectors, including charitable gaming, casino and VLT operations, First Nations gaming commissions, and municipal licensing authorities. The members of this unit uphold the legislated tenets of honesty and integrity by providing education and training, scrutinizing financial and event reports, and conducting regular and consistent site inspections and comprehensive investigations.

AUDIT

The Audit Department is responsible for reviewing and analyzing financial reports and source documents to provide reasonable assurance that clients' reporting and record-keeping practices meet audit standards and comply with legislation and regulation.

During 2009/10, this department's primary focus remained on building and maintaining good working relationships with clients and stakeholders to support and encourage compliance with financial reporting requirements. Specific efforts in this regard included: developing daily VLT revenue balancing practices and procedures; offering specialized training for new registrants and licence holders; providing on-site training and encouraging shorter reporting and review periods. This approach resulted in improved record-keeping, timelier report submissions, fewer reporting errors and a reduction in the number of investigation referrals to the Compliance Department. This collaborative approach contributed to the third straight year where this department received all of the required annual financial reports from First Nations gaming commissions, First Nations VLT siteholders and licensing authorities.

Service improvements continued this year as department members promoted the use of the electronic reporting tool (ERT), which permits charitable licence holders to submit financial reports via email using a Microsoft Excel spreadsheet that is imported directly into the MGCC's Gaming Management System. Although the number of ERT users grew more slowly than in previous years, ERT use increased by 15% during 2009/10. As well, several organizations have elected to use the online licence fee payment option that was introduced during the 2008/09 fiscal year. The MGCC expects this trend to continue as clients become more comfortable with online financial services. In addition to strengthening relationships with clients and providing them with improved tools and resources, the Audit Department continued to refine internal practices and procedures for all primary audit activities, with the aims of assuring consistency and continually improving client service.

...the members of the Audit Department examined more than 2,500 financial reports, reviewed the financial statements for the Aseneskak and South Beach casinos, provided over 140 training sessions to clients and completed annual audit reviews for 24 First Nations gaming commissions, 34 First Nations VLT siteholders and 146 municipal licensing authorities.

Charitable Gambling 2009/10 ($millions)

Event Type	Licensed Events		Gross Revenue		Prizes Paid		Total Expenses		Net Profit	
	09/10	08/09	09/10	08/09	09/10	08/09	09/10	08/09	09/10	08/09
Bingo	261	289	$42.7	$44.2	$33.0	$34.2	$4.5	$4.8	$5.2	$5.2
Breakopen	207	234	4.4	4.7	3.2	3.4	0.3	0.4	0.9	0.9
Raffle	235	227	28.3	16.6	11.0	6.2	5.9	2.9	11.4	7.5
Texas Hold'em	72	71	1.5	1.3	1.0	0.9	0.2	0.2	0.3	0.2
Media Bingo	22	24	4.3	4.1	3.0	1.9	0.6	0.5	0.7	1.7
Other	9	10	0.1	0.1	0.0	0.1	0.0	0.0	0.1	0.0
Totals	**806**	**855**	**$ 81.3**	**$ 71.0**	**$ 51.2**	**$ 46.7**	**$ 11.5**	**$ 8.8**	**$ 18.6**	**$ 15.5**

In addition, 693 licences were issued to organizations that, due to reporting thresholds, were not required to submit financial reports or licence fees (117 bingo, 34 breakopen, 531 raffle, 2 media bingo and 9 other) and are therefore not reflected in the above chart.

COMPLIANCE

At the core of the Compliance Department's work is the responsibility to ensure a consistent regulatory environment that is fair and balanced, while assuring consumer protection and public confidence in gaming activities. To ensure the ongoing honesty and integrity of regulated gaming in the province, members of this department conduct regular standardized inspections and investigate irregularities identified as a result of these inspections, internal referrals or public complaints.

For example, regular inspections are conducted with charitable organizations, VLT siteholders, First Nations gaming commissions and First Nations and MLC casinos to confirm compliance with the terms and conditions attached to agreements, licences, approvals and registrations authorized by the Criminal Code (Canada) and The Gaming Control Act. New guidelines for most inspection activities were completed and implemented in 2009/10 and are highlighted on the next page. To support this inspection regime, the Compliance Department continued to emphasize the importance of training and education as a key compliance tool by increasing the number of training sessions by 10% over the previous year.

As required, members of this department initiate investigations as a result of complaints or problems identified through inspection or audit processes. In this regard, the MGCC is hopeful that a 24% drop in complaints and a 35% drop in investigations over the previous year is the beginning of a trend. In examining these positive results, department members point to their focus on training efforts and on building cooperative and collaborative relationships with all stakeholders. The department will continue to focus on collaboration in the coming year as its compliance responsibilities expand with the addition of lottery ticket retailers to the MGCC's honesty and integrity mandate.

The implementation of a new standardized Casino Inspection Program in 2009/10 was a significant achievement for the Compliance Department. Conducted at all four casinos in Manitoba (i.e., Aseneskak Casino, South Beach Casino, Club Regent Casino and McPhillips Station Casino), these inspections assess and monitor compliance with legislative and regulatory requirements and internal control standards via comprehensive examinations of table and electronic game operations, security and surveillance, responsible gambling measures and adherence to consequential reporting requirements.

First Nations Gaming Commission Compliance AS OF MARCH 31, 2010	
Gaming commissions were compliant	26
Gaming commissions were non-compliant	0
Gaming commissions were not functioning (i.e., no board or staff in place)	5
Gaming commission was suspended	1
Total	**32**

Confirming Compliance: New Inspection Guidelines

New thresholds were established in 2009/10 to standardize the wide range of protocols required to monitor and confirm the honesty and integrity of these activities:

- bingo and breakopen events
- Calcutta auctions
- First Nations gaming commissions
- media bingos
- midway events
- Monte Carlo events
- raffles
- sports drafts
- Texas Hold'em poker tournaments
- VLTs

New measures for each of these categories bring consistent application to longstanding compliance confirmation techniques and practices, including historical file research and assessment, event and site administration and reporting, financial and inventory record-keeping, age restriction prohibitions, and public information and responsible gambling requirements. These guidelines also address education, training and support service needs, in keeping with the department's focus on identifying and remedying possible areas of weakness and on building and maintaining strong relationships. Follow-up is accomplished via a revamped spot-check program that permits inspectors to monitor mandated remedies to any operational deficiencies. Inspection services are based out of three field offices in Brandon, Portage La Prairie and The Pas, in addition to our main office in Winnipeg, to provide better and more consistent client service.

REGULATORY AFFAIRS

Overall efforts by this department may best be described as being both collaborative and consultative to ensure the MGCC's compliance practices are current and in keeping with best practices. During the past several years, the scope of responsibility has expanded to include developing new inspection programs, researching and implementing training and professional development initiatives, and liaising with external agencies in jurisdictions across North America.

In 2009/10, the Regulatory Affairs Department remained at the center of unit efforts to refine and establish consistent and accountable policies and procedures for audit and compliance responsibilities. In addition to attention to existing gaming event protocols, efforts in this regard included preparation for the legislated addition of lottery ticket retailers to Manitoba's regulatory regime. This department led the development of a lottery ticket retailer inspection program, providing a unique perspective to the sales, redemption and payment processes to guide the development, staff training and eventual application of new inspection and investigation protocols. Preparation for the expanded legislative accountabilities also prompted a review of the MGCC's hearing process and redrafting of the existing hearing manual. The MGCC expects that the new manual will be completed in early 2010/11 for implementation once the amendments are proclaimed on April 1, 2010.

Applying Gaming Integrity and Compliance Measures to Casino Development

In early March 2010, the Assembly of Manitoba Chiefs (AMC) announced the completion of a formal and comprehensive business plan to construct and operate a new casino in southwestern Manitoba. This unique project has been in the works for several years in cooperation with the Province of Manitoba. The announcement marked a significant step in the development of this important economic opportunity to benefit Manitoba First Nations people and their communities. While public attention focused on the details of the location, plans for hospitality and tourism amenities, spin-off benefits to the surrounding region, responsible gambling initiatives, and opportunities for job creation, the MGCC began work to incorporate this new operation into Manitoba's established regulatory regime.

The First Nations Gaming Policy Review Report (Bostrom Report), which forms the foundation for Manitoba's policy on casino development, underscored the necessity for a strong provincial regulatory framework for casino operations. Thus, as with all sanctioned gaming in Canada, the new casino will operate within a legislative and regulatory framework based on the Criminal Code (Canada) and provincial legislation and regulation.

Predicated on a foundation that balances transparency, accountability and the aims of self-government, the new casino will be authorized by a complex gaming agreement that establishes the terms, conditions, commitments and covenants under which it will operate. It is within this context and these aims that the MGCC's Gaming Integrity and Gaming Compliance Units will apply the standards and procedures described in the foregoing pages to the new casino. These include background investigations required to confer registration, the technical integrity testing and approvals on gaming equipment, the conduct of regular inspections and the ability to address complaints through formal investigation. While these regulatory measures are largely unseen by casino patrons, they are the foundation for casino gaming operations that are conducted honestly, with integrity and in the public interest.

Research and Communications

Research • Communications • Human Resources

The responsibilities for research, communications, public relations, policy advice, responsible gambling and human resources are captured within this department's mandate. Given the broad scope of these activities, department members must be sensitive to the complexities of gaming policy and must balance multiple perspectives on gaming, including operational imperatives, business interests, emerging research, responsible gambling, player demands, cultural values and regulatory obligations.

RESEARCH

As mandated by The Gaming Control Act, conducting reliable and valid research is one of this department's key responsibilities. Research findings inform operational, policy advisory and public interest activities, and the MGCC publishes a robust research agenda on an annual basis to ensure that research plans are aligned with regulatory priorities.

In 2009/10, the department focused on deepening research connections with provincial, national and international stakeholders, including the academic community. As a result, an academic paper written collaboratively with Dr. Michael Ellery, a professor in the University of Manitoba's Psychology Department, was accepted for publication in the Journal of Gambling Studies. This is a significant achievement for the MGCC, as it will be the first North American gaming regulator to publish research in a peer-reviewed, academic journal.

Conducting collaborative research is just one of the ways in which the MGCC furthers its commitment to building gambling-related research capacity in Manitoba. In 2009/10, the department was also invited by the Prairie Chapter of the Marketing Research and Intelligence Association to speak as part of a panel discussion on research procurement. The MGCC continues to offer its studentship program, which provides financial support of up to $10,000 to graduate students at Manitoba universities and is the only gambling-related scholarship program in the province.

The following chart provides a brief status report for the MGCC's major 2009/10 independent and collaborative research projects. The complete research agenda is available at www.mgcc.mb.ca.

Though it is common...

...for regulators to fund and support research, it is not common for a gaming regulator to also conduct primary research, as the MGCC does.

Research Status Report

AS OF MARCH 31, 2010

Research Project	Timeline	Date Initiated	Collaborative Initiative	Independent Initiative	Status
Refining the Canadian Problem Gambling Index (CPGI)	Year 3 of 4	05/2007	•		Analysis of Problem Gambling Severity Index cut-off points began in September 2009; planning underway for additional refinement initiatives.
Development of the Canadian Adolescent Gambling Inventory (CAGI)	Year 7 of 8	12/2003	•		Instrument development and validation complete; final report to be released in July 2010.
Advancing the Social and Economic Impact of Gambling (SEIG) Framework	Year 2 of 3	12/2008	•		Analysis of causality research and data required to sustain the SEIG Framework underway; final report expected in fall 2010.
Assessing the Social and Economic Impact of First Nations Casinos	Year 2 of 3	05/2008		•	Data collection complete; final report expected in fall 2010.
Manitoba Longitudinal Study of Young Adults	Year 5 of 7	03/2005	•		89% retention rate achieved in second cycle of data collection. Third cycle of data collection to begin in May 2010.
Manitobans and Gambling III Study	Year 1 of 2	12/2009			Data collection underway; final report expected in fall 2010.
Motives for Gambling in Manitoba	Year 2 of 3	01/2009	•		Academic paper written in collaboration with a psychology professor. Paper accepted for publication in the Journal of Gambling Studies.
Public Education Campaign Evaluation	Complete	11/2008		•	Limit-Setting Campaign Evaluation Report released in June 2009.

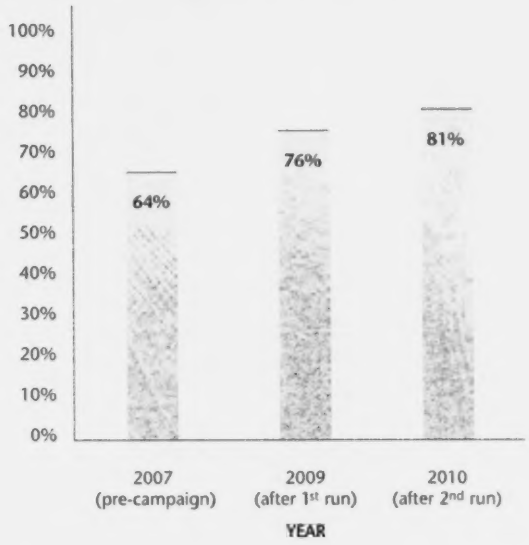
COMMUNICATIONS

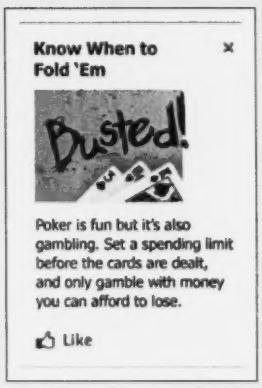
2009/10 saw the MGCC further the information and knowledge paradigm shift by focusing on the fastest evolving media – web-based communications tools. Communication and information-sharing is increasingly facilitated through online resources, and content enhancements to www.mgcc.mb.ca improved the relevance and usefulness of the site for clients.
The MGCC also extended the reach of its province-wide public education campaign by adding a popular social-networking site, Facebook, to its media mix (see below). More traditional communication methods included media relations, publication of corporate and operational materials and information and advisory work in support of the Board of Commissioners and the Minister charged with the administration of The Gaming Control Act.

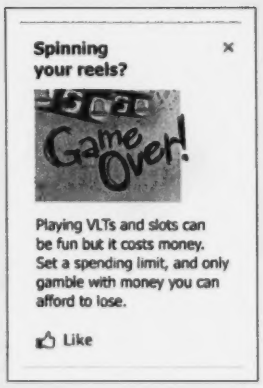
In fall 2009, the MGCC ran its province-wide public education campaign to encourage limit-setting for the second time. The campaign teaches Manitobans that gambling costs money, like other hobbies or forms of entertainment, and that gambling responsibly means setting and sticking to affordable spending limits. Campaign evaluation research showed that the campaign continues to have a positive impact on Manitobans. More Manitobans could recall the campaign after its second run, and the number of Manitobans using limit-setting strategies has continued to increase.

This department also manages all Freedom of Information and Protection of Privacy Act (FIPPA), French language services and records management responsibilities for the MGCC. In 2009/10, FIPPA training was given to all managers to build understanding of the MGCC's information access and privacy obligations. As well, groundwork for the identification of key French language resources began with consultations with the Francophone Affairs Secretariat and discussions with operational managers to bolster long-term French language service planning.

Percentage of Manitobans who always use at least one limit-setting strategy when gambling




Know When to Fold 'Em
Busted!
Poker is fun but it's also gambling. Set a spending limit before the cards are dealt, and only gamble with money you can afford to lose.
Like


Spinning your reels?
Game Over!
Playing VLTs and slots can be fun but it costs money. Set a spending limit, and only gamble with money you can afford to lose.
Like

Views

These two advertisements were shown to all adult Manitoban Facebook users every time they logged on to Facebook during the run of the campaign. Approximately 377,000 people viewed the advertisements over 13 million times. Having Manitobans see the advertisements over and over again significantly increased the reach of the campaign, well beyond using only traditional media.

Interest

The Facebook advertisements linked to a MGCC webpage featuring images and information from the MGCC's limit-setting and myth-busting public education campaigns. Facebook users clicked on the advertisements and visited the MGCC's website more than 4,000 times.

HUMAN RESOURCES

During the past several years, the MGCC has targeted strategic initiatives to maintain organizational stability and sustainability in anticipation of long-service employee turnover. In 2009/10, particular efforts were made to facilitate specialized knowledge transfer between MGCC's workforce generations through a corporate-wide policy development process that formalized and articulated operational procedures and work task standards. This initiative was further supported by continued efforts to encourage internal employee development opportunities, which resulted in several acting status appointments, reassignments and transfers within and between operating units and departments. As well, longstanding performance management and measurement expectations continued to measure and assess the achievement of corporate, unit, departmental and individual goals and objectives.

Late in the year, attention was refocused to guide the MGCC to be recruitment ready, again in anticipation of pending workforce transition. With this aim in mind, the MGCC began the development of a workplan to prepare to recruit people to successfully fill positions vacated during the next five to seven years and to guide and support employees interested in initiating and pursuing career development with the MGCC. Looking forward, the completion and implementation of this plan, coupled with current human resources development initiatives, will lay the foundation for a strong and sustainable workforce.

Beyond these strategic efforts, human resources services were also provided to the Board of Commissioners, management and staff in the long established areas of recruitment, selection, pay and benefits, labour relations, policy development and advice and support to enable the MGCC's operation and to support our most valued resource, our people.

MGCC Employment Equity Representation

AS OF MARCH 31, 2010

	Aboriginals	Visible Minority	Persons with Disabilities
MGCC	10.8%	6.0%	10.0%
Manitoba Civil Service Commission Targets	14.0%	8.0%	7.0%

Website Traffic

Visits to the MGCC's website increased by as much as ten times during the run of the campaign. There are usually between 200 and 350 visits to the MGCC site per week. Visits from the Facebook site sometimes hit between 1,200 and 2,000 visits per week during the campaign.

Corporate Services

Information Technology • Finance

Corporate and operational activities are supported and enabled via the core administrative and management functions and technological resources provided by these departments.

INFORMATION TECHNOLOGY

The members of this department provide a reliable, secure and stable computer network, telecommunication services and application development and support for the MGCC's customized Gaming Management System. The department achieved 99% uptime for all major information technology systems in 2009/10. To accomplish this, department staff work closely with other departments to assess information technology needs and to identify and implement solutions that facilitate effective and appropriate use of technological resources.

The redesign of the Gaming Management System, the core information system used by all departments to manage client and business information, was a key 2009/10 collaborative, corporate-wide project. The redesign process resulted in a major overhaul of the system application, which converted the Gaming Management System from a browser-based program to a Windows client-server style application. The new user interface offers improved usability, function and feel, while retaining the previous version's background and business purpose. With the completion and launch of the new version in December 2009, members of the department began to plan and develop the next phase in anticipation of the new registration and compliance responsibilities pending legislative amendments.

Information technology mobility and access was further improved during the year with the acquisition of new laptops and the expansion of the MGCC's virtual private network (VPN). New hardware and VPN upgrades improved remote connectivity to support mobile workers' productivity and allow them to maintain communication while working remotely. Security and stability for internal systems was reinforced with the installation of a new network firewall and server-imaging software for MGCC's most critical systems to improve recovery efforts in the event of an emergency. As well, 2009/10 saw the launch of a new fax-to-pdf system that converts incoming "paper" faxes to electronic PDF file format. This system simplifies delivery of the faxes to the recipients, improves document storage and access, and reduces paper use.

Facilitating connections and communications with stakeholders is also a critical responsibility for this department. Recognizing the public's increasing use and comfort with the Internet, this department continued to support other departments in developing the information available at www.mgcc.mb.ca. Modifications during the year included the addition of new fillable forms, an online payment service and new operational information. Feedback on the website remains positive and the MGCC will continue to improve functionality and new information to the website to keep pace with Manitobans' expectations for easy and practical access to information about the regulation of gambling in the province.

FINANCE

Responsible for all aspects of financial management, this department supports corporate and operational functions by planning, managing, analyzing and reporting all financial transactions. The finance "year" begins in the fall with the preparation of the budget as part of MGCC's annual business planning process. The annual cycle continues with the oversight and management of revenues, expenses, investment practices and capital assets and concludes with the annual independent audit by the Office of the Auditor General of Manitoba (OAG).

This department's function is critical to assuring MGCC's accountability and transparency. To accomplish this, monthly financial statements and related variance analyses were prepared and submitted to management for review; and quarterly financial statements and related variances were prepared and submitted to the Board of Commissioners, which is advised by an independent auditor. Based on its annual financial attest audit, the OAG issued a clear audit opinion for the year ended March 31, 2010. The annual financial statements are published in this report beginning on page 28.

During the year, preparations began to integrate new financial accounting standards that will come into force for the MGCC's fiscal year beginning on April 1, 2011. The MGCC expects to transition current accountability and transparency practices, which are based on the Canadian Institute of Chartered Accountants, to the Public Sector Accounting Handbook. While MGCC does not anticipate major changes to its financial management systems and practices, the application of new standards will bring consistency to the preparation, reporting, review and understanding of financial information prepared by public sector entities. In 2010/11, discussions with the OAG regarding necessary accounting changes and statement presentation will be undertaken, with new measures implemented as required.

Property management and maintenance also fall under the oversight of the Finance Department. Key accomplishments for these accountabilities included oversight for landlord maintenance and improvements, enhancements to security and access to MGCC's main office in Winnipeg and maintaining the MGCC's satellite offices in Brandon, Portage La Prairie and The Pas.

Financial Statements

FOR THE YEAR ENDED MARCH 31, 2010

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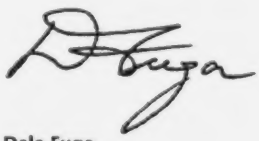
Management Report

The Management of the Manitoba Gaming Control Commission (MGCC) is responsible for the integrity, objectivity and reliability of the financial statements, accompanying notes and other financial information that it has prepared for this report.

Management maintains internal control systems to ensure that transactions are accurately recorded in accordance with established policies and procedures. In addition, certain best estimates and judgments are made based on a careful assessment of the available data.

The financial statements and accompanying notes are examined by Manitoba's Office of the Auditor General (OAG), whose opinion is included herein. The OAG has access to the Board of Commissioners, with or without Management present, to discuss the results of their audit and the quality of financial reporting at the MGCC.

F.J.O. (Rick) Josephson
EXECUTIVE DIRECTOR



Dale Fuga
CHIEF OPERATING OFFICER

June 18, 2010

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

AUDITORS' REPORT

To the Legislative Assembly of Manitoba, and
To the Board of Commissioners of the Manitoba Gaming Control Commission:

We have audited the balance sheet of the Manitoba Gaming Control Commission as at March 31, 2010, and the statements of operations and surplus and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Manitoba Gaming Control Commission as at March 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

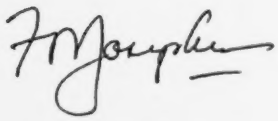
Winnipeg, Manitoba
June 18, 2010

500 - 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169
www.oag.mb.ca

Management's Certification of Compliance

To: Board of Commissioners of the Manitoba Gaming Control Commission

We hereby confirm that for the year ended March 31, 2010, the Manitoba Gaming Control Commission has complied with the criteria established by the provisions of *The Gaming Control Act*, Regulations, Orders in Council and other applicable legislation as outlined in the attached Schedule.



F.J.O. (Rick) Josephson
EXECUTIVE DIRECTOR

Dale Fuga
CHIEF OPERATING OFFICER

June 18, 2010

Schedule of Legislative and Related Authorities

ORDERS IN COUNCIL

10/2003	Appointment of OAG as auditor of MGCC
407/2009	Commissioner Appointments/Reappointments to the MGCC Board
320/2007	Appointment of Executive Director
341/1997	Working capital advances

THE GAMING CONTROL ACT (C.C.S.M. C. G5)

Subsections

s.3(1)	The Gaming Control Commission
s.5(1)	Annual reports
s.6(1)	Executive Director
s.12(3)	License Fees
s.14(5)	Costs – Registration
s.17(1)	Registration Fees
s.17(2)	Content of fee regulation
s.28(4)	Costs – Technical Integrity
s.55(1)	Banking
s.55(2)	General fund
s.55(3)	Deposit of monies
s.55(4)	Operating expenses
s.55(5)	Advances for working capital
s.55(6)	Payment of advances
s.55(7)	Investment
s.55(8)	Investments held in trust
s.55(9)	Fiscal year
s.55(10)	Records and accounts
s.55(11)	Annual budget
s.55(12)	Auditor
s.55(13)	Disposition of surplus money
s.56(2)	Powers of Commission respecting property
s.59(e)	Regulations by Lieutenant Governor in Council – Commission members remuneration
s.59(e.1)	Regulations by Lieutenant Governor in Council – Fiscal Year
s.60(1)(d)	Regulations by Commission – prescribing of fees
s.60(1)(d.1)	Regulations by Commission – remittance of fees

THE GAMING CONTROL REGULATION (41/2005)

Section 12	Payment of annual fee
Section 20(1) to 20(4)	License fees and when payable
Section 21(1) to 21(3)	Registration fees including Schedule (section 21)
Section 22	Payment of fees
Section 23	Reduction on application

THE GAMING CONTROL REGULATION (41/2005) AMENDMENTS

#112/2008	Registration fee change to Schedule (section 21)

THE PUBLIC SECTOR COMPENSATION DISCLOSURE ACT (C.C.S.M. C. P265)

s.2(1)	Disclosure required
s.2(2)	Consistent reporting required
s.3(1)	Manner of disclosure
s.3(2)	Names and positions or classifications to be disclosed

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

AUDITORS' REPORT ON COMPLIANCE

To the Board of Commissioners of the Manitoba Gaming Control Commission:

We have audited the Manitoba Gaming Control Commission's compliance for the year ended March 31, 2010, with the provisions of the legislative and related authorities outlined in Management's Certification of Compliance pertaining to its financial reporting, budgeting and planning, safeguarding of assets, spending, revenue raising, borrowing, investing, board remuneration and expenses, and trust activities.

Compliance with the legislative and related authorities is the responsibility of the management of the Manitoba Gaming Control Commission. Our responsibility is to express an opinion on compliance based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstance.

In our opinion, the Manitoba Gaming Control Commission has complied, in all significant respects, with the specified legislative and related authorities for the year ended March 31, 2010.

Office of the Auditor General

Winnipeg, Manitoba
June 18, 2010

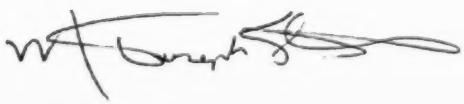
500 - 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169
www.oag.mb.ca

Manitoba Gaming Control Commission

Balance Sheet

MARCH 31		2010		2009
ASSETS				
Current Assets				
Cash	$	222,655	$	50,301
Short-term investments		1,377,596		1,126,515
Accounts receivable (Note 5)		30,429		60,221
Prepaid expenses		31,532		30,923
		1,662,212		1,267,960
Long-Term Investment (Note 8)		146,079		146,079
Capital Assets (Note 6)		344,177		376,865
Intangible Assets (Note 7)		6,016		8,595
	$	2,158,484	$	1,799,499
LIABILITIES AND SURPLUS				
Current Liabilities				
Accounts payable and accrued liabilities	$	523,259	$	547,783
		523,259		547,783
Provision for employee severance benefits (Note 8)		565,743		538,793
Provision for employee pension benefits (Note 11)		34,900		52,751
		1,123,902		1,139,327
Surplus		1,034,582		660,172
	$	2,158,484	$	1,799,499

On behalf of the Board:



DIRECTOR DIRECTOR

The accompanying notes are an integral part of these financial statements.

Manitoba Gaming Control Commission

Statement of Operations and Surplus

FOR THE YEAR ENDED MARCH 31	2010	2009
Revenue		
Registration fees	$ 4,108,250	$ 3,825,776
License fees	1,151,408	994,036
	5,259,658	4,819,812
Expenses		
Salaries and benefits	3,601,071	3,596,806
Rent	331,414	310,988
Legal and professional fees	163,984	169,573
Transportation	131,421	123,237
Public Education	119,418	145,833
Communications	104,252	115,637
Supplies and services	102,519	118,571
Education, training, and conference	97,923	97,515
Amortization – capital assets	73,722	80,189
– intangible assets	2,578	3,684
Commission Board	59,789	123,245
Accommodations	56,463	54,120
Other expenses	45,913	15,905
HR/Systems support	21,426	21,728
First Nations legal and professional	7,381	92,000
	4,919,274	5,069,031
Income (loss) before other items	340,384	(249,219)
Other Items		
Interest income	2,622	40,002
Other income	31,404	26,240
	34,026	66,242
Excess revenue (expenses) and comprehensive income (loss)	374,410	(182,977)
Surplus, beginning of year	660,172	843,149
Surplus, end of year	$ 1,034,582	$ 660,172

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31		2010		2009
Cash Flows from Operating Activities				
Excess of revenue over expenses	$	374,410	$	(182,977)
Items not involving cash				
Amortization of capital assets		73,722		80,189
Amortization of intangible assets		2,578		3,684
Amortization of capital/intangible assets related to the Commission Board		1,470		1,615
		452,180		(97,489)
Changes in non-cash working capital balances				
Accounts receivable		29,792		(27,087)
Prepaid expenses		(609)		(1,644)
Accounts payable and accrued liabilities		(24,524)		87,708
Deferred revenue		0		(1,922,525)
Provision for employee severance benefits		26,950		51,231
Provision for employee pension benefits		(17,851)		7,350
		465,938		(1,902,456)
Cash Flows from Investing Activities				
Purchase of capital assets		(42,503)		(81,496)
Increase (decrease) in cash and cash equivalents during the year		423,435		(1,983,952)
Cash and cash equivalents, beginning of year		1,176,816		3,160,768
Cash and cash equivalents, end of year	$	1,600,251	$	1,176,816
Represented by				
Cash	$	222,655	$	50,301
Short-term investments		1,377,596		1,126,515
	$	1,600,251	$	1,176,816

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

FOR THE YEAR ENDED MARCH 31, 2010

1 Nature of Business

The Manitoba Gaming Control Commission was established by The Gaming Control Act. The organization's objectives are to regulate and control gaming activity in the province with the aims of ensuring that gaming activity is conducted honestly, with integrity and in the public interest. The organization began its operations on October 20, 1997.

2 Change in Accounting Policies

Effective April 1, 2009, the Manitoba Gaming Control Commission (MGCC) adopted the following new handbook sections issued by the Canadian Institute of Chartered Accountants (CICA):

SECTION 3064 GOODWILL AND INTANGIBLE ASSETS

Effective April 1, 2009, the Commission adopted the recommendations of the Canadian Institute of Chartered Accountants (CICA) Handbook section 3064 Goodwill and Intangible Assets and the updates to CICA Handbook section 1000 Financial Statement Concepts. This guidance establishes updated standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The adoption of these standards affects financial statement presentation only.

Accordingly, the Commission has reclassified $66,443 (2009 - $66,443) of Capital Assets to intangible assets.

CREDIT RISK AND FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

During 2009 the Commission adopted the Emerging Issues Committee (EIC) 173 and amendments to Section 3855, Financial Instruments - Recognition and Measurement Section 3855 – Effective Interest Method.

Section 3855 – Embedded Derivatives on Reclassification of Financial Assets

Section 3855 – Impairment of Financial Assets

Due to the nature of the Commission's financial instruments, the adoption of these standards and amendments had no material impact on the financial position of the Commission.

SECTION 3862 FINANCIAL INSTRUMENTS – DISCLOSURE

The MGCC has adopted the amendment to the CICA standard, Section 3862 Financial Instruments – Disclosures. This amended section, which was effective January 1, 2009, requires an entity to classify fair value measurements into a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the MGCC's investments. The hierarchy of inputs is summarized below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), or

Level 3 – inputs for the asset or liability that are not based on observable market data.

Changes in valuation methods may result in transfer into and out of an investment's assigned level.

The above noted new standards have no impact on the recognition, measurement or presentation of financial instruments in the MGCC's year-end financial statements. The only financial statement impact is to note disclosure.

FUTURE ACCOUNTING CHANGES

Convergence with Public Sector Accounting Standards as issued by the Public Sector Accounting Board.

Effective April 1, 2011 the Commission will be adopting Public Sector Accounting Standards issued by the Public Sector Accounting Board. The Commission is currently in the process of quantifying the impact these changes will have on its financial position.

3 **Significant Accounting Policies**

A. GENERAL

These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP).

B. USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

C. CAPITAL ASSETS

Capital assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

Equipment	20% declining balance basis
Furniture and fixtures	10% declining balance basis
Computer equipment	30% declining balance basis
Leasehold improvements	Straight-line method over remaining term of lease (82 months)

D. INTANGIBLE ASSETS

Intangible assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

Computer software	30% declining balance basis

E. REVENUE RECOGNITION

Revenue and expenses are recorded on an accrual basis except for license and supplier registration fees, which are recognized on a cash receipt basis.

F. CAPITAL DISCLOSURES

In the context of the MGCC, capital is defined as the surplus of the MGCC. Externally-imposed capital requirements relate to the administration of the MGCC in accordance with The Gaming Control Act and accompanying regulations. The MGCC has developed appropriate risk management strategies, as described in note 4, to preserve the surplus of the MGCC. The MGCC has complied with externally-imposed capital requirements during the year.

4 Financial Instruments and Financial Risk Management

Financial assets and liabilities are initially recorded at fair value. Measurement in subsequent periods depends on the financial instrument's classification. Financial instruments are classified into one of the following five categories: held for trading; available for sale; held to maturity; loans and receivables; and other financial liabilities. All financial instruments classified as held for trading or available for sale are subsequently measured at fair value with any change in fair value recorded in net earnings and other comprehensive income, respectively. All other financial instruments are subsequently measured at amortized cost.

The financial assets and liabilities of MGCC are classified and measured as follows:

Financial Asset/Liability	Category	Subsequent Measurement
Cash and Short-Term Investments	Held for trading	Fair value
Long-Term Investment	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable	Other financial liabilities	Amortized cost
Accrued liabilities	Other financial liabilities	Amortized cost

Amortized cost is determined using the effective interest rate method.

Gains and losses on financial instruments subsequently measured at amortized cost are recognized in the statement of operations and surplus in the period the gain or loss occurs. Changes in fair value on financial instruments classified as held for trading are recognized in the statement of operations and surplus for the current period. Changes in fair value on financial instruments classified as available for sale would be recorded in a statement of changes in net assets or other comprehensive income until realized, at which time they are recorded in the statement of operations and surplus.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of accounts receivable, receivable from the Province of Manitoba, accounts payable and accrued liabilities approximates their carrying values due to their short-term maturity.

It has been determined that the MGCC's investments would be classified as Level 2 because they are invested with the Department of Finance.

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Balance Sheet are as follows:

	2010		2009	
	Carrying Value	Fair Amount	Carrying Value	Fair Amount
Financial Asset/Liability				
Cash and Short-Term Investment	$ 1,600,251	$ 1,600,251	$ 1,176,816	$ 1,176,816
Accounts receivable	30,429	30,429	60,221	60,221
Long-Term Investment	146,079	146,079	146,079	146,079
Accounts payable	45,991	45,991	116,062	116,062
Accrued liabilities	477,268	477,268	431,721	431,721

FINANCIAL RISK MANAGEMENT - OVERVIEW

The MGCC has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- interest risk and
- foreign currency risk

The MGCC manages its exposure to risks associated with financial instruments that have the potential to affect its operating performance in accordance with its risk management framework. The MGCC's Board of Commissioners has overall responsibility for the establishment and oversight of the MGCC's objectives, policies and procedures for measuring, monitoring and managing these risks.

The MGCC has exposure to the following risks associated with its financial instruments. Analysis of sensitivity to specified risks is provided where there may be an effect on the results of operations or financial position. Sensitivity analysis is performed by relating the reasonably possible changes in risk variables as at March 31, 2010 to the financial instruments outstanding on that date.

CREDIT RISK

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject MGCC to credit risk consist principally of cash, Short-Term Investments and accounts receivable.

The maximum exposure of MGCC to credit risk at March 31, 2010 is:

Cash and Short-Term Investments	$1,600,251
Accounts receivable	30,429
Long-Term Investment	146,079
	$1,776,759

Cash and funds on deposits: MGCC is not exposed to significant credit risk as the cash, short-term investments and long-term investments are held by the Minister of Finance.

Accounts receivable: MGCC is not exposed to significant credit risk as license and registration fees from charities, Manitoba Lotteries Corporation (MLC), First Nations casinos, and suppliers are typically collected when they are due. Employee advances are collected upon retirement. Other trade receivables are not typical and have been collected subsequent to year end. As such, no specific allowance for doubtful accounts has been created as the potential for any receivable impairment is negligible.

LIQUIDITY RISK

Liquidity risk is the risk that MGCC will not be able to meet its financial obligations as they come due.

MGCC manages liquidity risk by maintaining adequate cash balances and by appropriately utilizing working capital advances if required. MGCC prepares and monitors detailed forecasts of cash flows from operations and anticipated investing and financing activities. Identified funding requirements are requested, reviewed and approved by the Minister of Finance to ensure adequate funding will be received to meet the obligations. MGCC continuously monitors and reviews both actual and forecasted cash flows through periodic financial reporting.

MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect MGCC's income or the fair values of its financial instruments. The significant market risks MGCC is exposed to are: interest rate risk; foreign currency risk; and other price risk.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to short-term investments and long-term debt.

The interest rate risk on short-term investments is considered to be low because of their short-term nature. The interest rate risk on long-term investments is considered low as the original deposit is reinvested annually at rates for investments with similar terms and conditions.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. MGCC is not exposed to significant foreign currency risk as it does not have any financial instruments denominated in foreign currency.

5 Accounts Receivable

		2010		2009
Charitable Licensees	$	2,470	$	1,318
Manitoba Lotteries Corporation		9,300		17,450
First Nations Casinos		3,100		3,600
Employee Advances		9,819		9,819
Supplier Investigations		3,161		2,777
Other trades		2,579		25,257
	$	30,429	$	60,221

6 **Capital Assets**

2010	Cost	Accumulated Amortization	Net Book Value
Equipment	$ 64,367	$ 53,709	$ 10,658
Furniture and fixtures	412,482	244,401	168,081
Computer equipment	939,622	823,575	116,047
Leasehold Improvements	57,318	7,927	49,391
	$ 1,473,789	$ 1,129,612	$ 344,177

2009	Cost	Accumulated Amortization	Net Book Value
Equipment	$ 62,740	$ 51,282	$ 11,458
Furniture and fixtures	403,713	226,619	177,094
Computer equipment	928,332	796,638	131,694
Leasehold improvements	57,318	699	56,619
	$ 1,452,103	$ 1,075,238	$ 376,865

7 **Intangible Assets**

2010	Cost	Accumulated Amortization	Net Book Value
Computer software	$ 66,443	$ 60,427	$ 6,016

2009	Cost	Accumulated Amortization	Net Book Value
Computer software	$ 66,443	$ 57,848	$ 8,595

8 **Long-Term Investment - Provision for Employee Severance Benefits**

Effective April 1, 1998, the Commission commenced recording the estimated liability for accumulated severance pay benefits for certain of its employees. During the last collective bargaining session it was negotiated that effective April 1, 2007 all employees would be eligible for severance pay benefits. The amount of this estimated liability is determined using the annual actuarial report of severance obligations as at March 31, 2010.

Severance pay, at the employee's date of retirement, will be determined using the eligible employee's years of service and based on the calculation as set by the Province of Manitoba. The maximum payout is currently 17 weeks at the employee's weekly salary at the date of retirement. Eligibility will require that the employee has achieved a minimum of nine years of service and that the employee is retiring from the Commission.

An actuarial report was completed for the severance pay liability as of March 31, 2010. The Commissions' actuarially determined net liability for accounting purposes as at March 31, 2010 was $565,743 (2009 - $538,793). An actuarial gain of $40,650 will be amortized over the 15 year expected average remaining service life of the employee group.

Significant long-term actuarial assumptions used in the March 31, 2010 valuation and in the determination of the March 31, 2010 present value of the accrued severance benefit obligation were:

Annual rate of return	
(i) inflation component	2.50%
(ii) real rate of return	4.00%
	6.50%
Annual salary escalation rates	
(i) general increases	
a) salary increase	2.50%
b) real rate	0.75%
	3.25%

The Province of Manitoba had accepted responsibility for the severance pay benefits of $146,079 accumulated to March 31, 1998 for certain of its employees. Effective March 31, 2010 the Province of Manitoba placed the amount of $146,079 into an interest bearing trust account to be held on the Commission's behalf until the cash is required to discharge the related liabilities.

9 **Commitments**

The organization has an operating lease for its premises expiring in 2016.

The minimum annual lease payment for the next five years is:

2011	272,855
2012	281,329
2013	291,497
2014	291,497
2015	296,581

10 **Economic Dependence**

A substantial portion of the organization's total revenue is derived from Manitoba Lotteries Corporation in the form of registration fees. The Manitoba Lotteries Corporation is related to the Commission through common ownership by the Province of Manitoba. The registration fees are recorded at the amount prescribed by MGCC regulation.

11 **Pension Plans**

Effective April 1, 2005, all employees are members of the Province of Manitoba's defined benefit Superannuation Fund ("the Fund").

In accordance with the provisions of the Civil Service Superannuation Act (Act), employees of the Commission are eligible for pension benefits. Plan members are required to contribute to the Fund at prescribed rates for defined benefits and will receive benefits based on the length of service and on the average of annualized earnings calculated on the best five years prior to retirement, termination or death that provides the highest earnings. The Commission is required to match contributions contributed to the Fund by the employees at prescribed rates, which is recorded as an operating expense. Under this Act, the Commission has no further pension liability.

The Commission's portion of contributions to the Fund is recognized as an operating expense in the period of contribution. Total contributions for the year are $173,601. Contributions for the 2009 year were $184,790.

For employees whose annual earnings exceed the limit under the Fund, a pension liability is established. Based on the triennial actuarial report of pension obligations as at March 31, 2010, a reserve of $34,900 has been established as a pension liability for these employees. Actuarial gains and losses are recognized in income immediately. Significant long-term actuarial assumptions used in the March 31, 2009 Valuation and in the determination of the March 31, 2010 present value of the accrued basic pension benefit obligations were:

Annual rate of return	
(i) inflation component	2.50%
(ii) real rate of return	4.00%
	6.50%
Annual salary escalation rates	
(i) general increases	
a) salary increase	2.50%
b) productivity component	0.75%
	3.25%

12 **Working Capital advance**

The Minister of Finance, with Lieutenant-Governor-in-Council approval by Orders in Council (341/1997) has arranged for working capital advances to be available to the commission. The aggregate of the outstanding advances is not to exceed $2,000,000 (2009 - $2,000,000). As at March 31, 2010 $2,000,000 (2009 - $2,000,000) of these advances were unused and available.

13 **Comparative Figures**

Certain comparative figures have been restated to conform with the financial statement presentation adopted in the current year.

14 **Subsequent Event**

The MGCC will extend its independent regulatory oversight to include lottery ticket retailers as a result of amendments to the Gaming Control Act subsequent to the year end.

Board of Commissioners 2009/10

Darlene Dziewit
CHAIRPERSON
Lorette

Lucille Cenerini
VICE-CHAIRPERSON
St. Boniface

Barbara Bruce
COMMISSIONER
Winnipeg

Dennis Meeches
COMMISSIONER
Long Plain First Nation

Joseph Stadnyk
COMMISSIONER
Brandon

Manitoba Gaming Control Commission

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